

on competition, to promote and sustain competition in market, to protect the interests of consumers and to ensure freedom of trade carried on by other participants in markets, in India, and for matters connected therewith or incidental thereto. The Competition Commission of India was established under the provisions of the Competition Act, 2002 in October, 2003. Due to legal challenges, this Commission could, however, not be made fully operational. The Government has introduced the Competition (Amendment) Bill, 2006 in the Lok Sabha for proposing amendments to the Competition Act, 2002. The Commission would be fully operationalised once the Amendments to the Competition Act are enacted. In the meantime, competition advocacy and capacity building activity in competition matters has been taken up with regulation of competition being provided through law, it would be possible to ensure a consistent and coherent approach in the matter. While policy formulation is an evolutionary process, at present, there is no National Competition Policy document as such under consideration of the Government.

### **Slow process of winding up of companies**

2133. SHRI JAI PARKASHAGGARWAL: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether the process of winding up of companies in the Country is very slow and large number of winding up petitions are lying before the office of Official Liquidators appointed by his Ministry;

(b) what steps his Ministry is taking to speed up the process; and

(c) how many winding up petitions are lying before the office of Official Liquidator attached to the Delhi High Court and what are the details thereof?

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) Yes, Sir. As on 31.3.2005 there were 6259 winding up petitions filed before different Courts in the country.

(b) Process of winding up of companies in the country is as per the provisions of the Companies Act, 1956. The Official Liquidators, also appointed under the Act, assist the respective Courts in disposal of the petitions for winding up of companies. To enable the process of winding up to be completed in a time bound manner, the Companies Act, 1956 has

been amended by Companies (Second Amendment) Act, 2002, whereby provisions have been made for establishing an institutional structure in the form of National Company Law Tribunal (NCLT)/National Company Law Appellate Tribunal (NCLAT) to handle, *inter-alia*, winding up of companies. The constitution of NCLT/NCLAT, however has been held up due to a legal challenge and the matter is pending in the Hon'ble Supreme Court.

(c) There are 694 Companies in liquidation as on 31.11.2006 with the Official Liquidator attached to the Delhi High Court. Out of these 694 companies, 622 companies are in compulsory liquidation and 72 are in voluntary liquidation.

### **Prevention of cartelization by CCI**

2134. SHRI VIJAY J. DARDA: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Competition Commission of India has become ineffective as it does not have sufficient power to prevent cartelization, dominances and combinations of companies;

(b) if so, what are the reasons therefor; and

(c) what action Government propose to take to make the CCI more powerful to prevent cartelization?

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) to (c) The Competition Act, 2002 has provisions to deal with matters relating to prohibition of anti-competitive agreement (including cartels), prohibition of abuse of dominance and regulation of combination, and Competition Commission of India (CCI) established under the Act has the duty to eliminate practices which have adverse effect on competition. The CCI was established on 14th October, 2003 but the Commission could not be made fully operational as certain provisions of the Act were challenged before the Supreme Court. The Apex Court has since delivered its Judgment in the matter. Keeping in view the Judgement of the Apex Court the Competition (Amendment) Bill, 2006, suggesting amendments to the Competition Act, 2002 was introduced in Lok Sabha on 9th March, 2006. The Bill was referred to the Standing Committee on Finance for its consideration. The Commission would be made fully operational once amendments to the Competition Act, 2002 are enacted.